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June 18, 2020

To: Mono County Planning Commission

From: Michael Draper, Planning Analyst
Gerry Le Francois, Principal Planner

Re: June Lake Highlands Specific Plan Amendment #2 and Modifications of Tract Maps #34-24 and #34-26

I. RECOMMENDATION

1. Open the public hearing for Specific Plan Amendment #2 and tract map modifications, receive public testimony, and make any desired changes.
2. Adopt Resolution R20-02 (Attachment #1) recommending the Board of Supervisors adopt the June Lake Highlands Specific Plan Amendment #2 and modifications to Tract Maps #34-24 and #34-26 (R20-02 Exhibit A), with any desired modifications as set forth in Section One of R20-02, and making the following findings :
 - A. Having reviewed and considered all information and evidence presented to it including public testimony, written comments, and staff reports and presentations, the Planning Commission finds, as set forth in Section Two of Resolution R20-02 (Attachment #1), that:
 1. The proposed changes to the June Lake Highlands Specific Plan are consistent with the text and maps of the General Plan,
 2. The proposed changes to the June Lake Highlands Specific Plan are consistent with the goals and policies contained within any applicable area plan,
 3. The site of proposed change in the specific plan is suitable for any of the land uses permitted within the proposed specific plan,
 4. The proposed changes to the June Lake Highlands Specific Plan are reasonable and beneficial at this time, and
 5. The proposed changes to the June Lake Highlands Specific Plan will not have a substantial adverse effect on surrounding properties.
 - B. The Planning Commission further finds that there are changes in circumstances which make any or all of the conditions or the design of the recorded final maps no longer appropriate or necessary and, as set forth in Section Three of Resolution R20-02, finds that:
 1. That the proposed modification(s) do not impose any additional burdens on the present owner of the property;
 2. That such modification(s) would not alter any right, title or interest in the real property;
 3. That the proposed modification(s) are consistent with applicable general and specific plans;
 4. That the proposed modification(s) do not result in an increased number of dwelling units or a greater density than set forth in the recorded map;
 5. That the site is physically suitable for the type and proposed density of the development;

6. That the design of the subdivision or proposed improvements, as modified, will not be likely to cause substantial environmental damage or substantially and avoidably injure fish or wildlife or their habitat; and
7. That the design of the subdivision or type of improvements will not be likely to cause serious public health problems, or conflict with public easements, or requirements related to drainage, snow storage, or other requirements set forth in the recorded map deemed necessary and appropriate by the public works department.

3. Find that the project qualifies as a CEQA Exemption under CEQA Section 15301(a).

Alternatively, if the Planning Commission chooses not to recommend the June Lake Highlands Specific Plan Amendment #2 and modifications of Tract Maps #34-24 and #34-26 for approval, either all or in part, the Commission must articulate which of the findings listed in Recommendation #2 above cannot be made. Any denial (i.e., decision not to recommend the project to the Board of Supervisors for approval) by the Planning Commission must 1) specify the standards not met and 2) be supported by substantial evidence in the record. In the event the Commission chooses not to recommend the project for Board approval, staff may request a short recess to assemble the findings for action by the Planning Commission.

II. PROJECT SETTING AND LAND USE

The June Lake Highlands Specific Plan, adopted in 2001, consists of 22.75-acres located about ½ mile west of the June Lake Village between June Lake and Gull Lake. The Mono County General Plan designates the project site as Specific Plan (SP). The area has been divided into 69 parcels which are designated Single-Family Residential (SFR) in the Specific Plan. At this time, 17 of the 69 SFR properties are built. Access to the sites is gained off Northshore Drive onto Mountain Vista Drive, or from Leonard Avenue. These roadways are County-maintained paved roads.

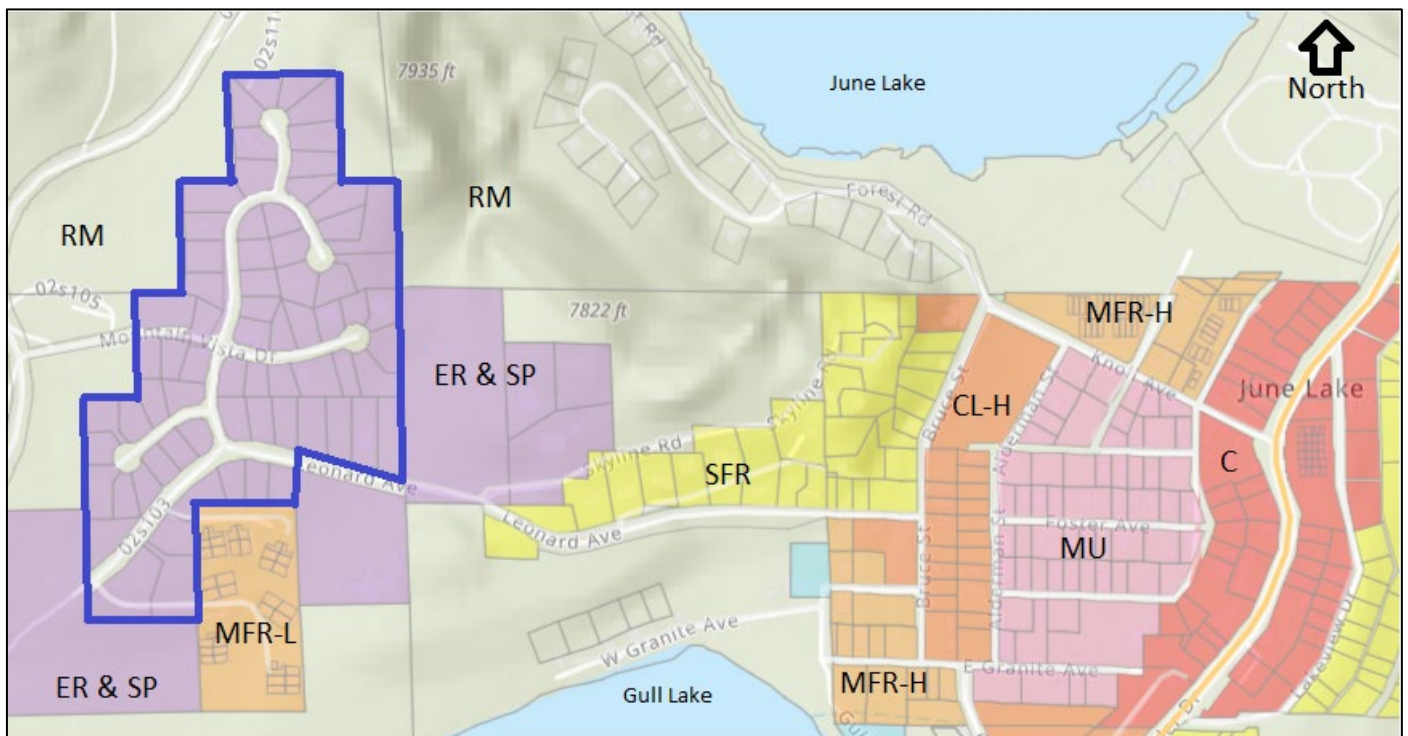


Figure 1. June Lake Highlands with surrounding Land Use Designations.

SURROUNDING LAND USES

To the north and west of the project site is open space owned and managed by the Inyo National Forest. To the southwest is a 14-acre parcel privately owned and designated Estate Residential. To the south is Multi-Family Residential – Low (Interlaken condominium complex) and Estate Residential (Victory Lodge), and south-east is vacant land designated Resource Management also managed by the Inyo National Forest. Directly east is a 4.9-acre parcel privately owned and designated Estate Residential.

EXISTING SPECIFIC PLAN & HISTORY

In March 2001, the Mono County Board of Supervisors adopted Resolution R01-26, certifying the June Lake Highlands Specific Plan, Final EIR, and Tentative Tract Map (#34-24, Phase I) allowing development of 39 single-family residential lots and 114 condominium units on 21.2 acres. The June Lake Highlands Specific Plan contains land use goals, policies and standards for development of the property. The Specific Plan approval includes 35 conditions, however transient rentals (rentals less than 30 days) were not addressed.

In June 2004, Resolution R04-038 was adopted by the Board, amending the June Lake Highlands Specific Plan (Amendment #1) by adding an additional 1.55-acre site for division into four single-family residential parcels.

In December of 2006, Tract Map #34-26 (Phase II) was finalized, dividing 9.43 acres into 28 lots (replacing the 114 multi-family units) and adding the new properties to the June Lake Highlands. The Tract Map included additional development standards and policies, including the policy that no transient rental (less than 30 days) shall be permitted.

All previously approved project documents are posted or linked at

<https://www.monocounty.ca.gov/planning/page/june-lake-highlands-specific-plan-amendment-2-and-modification-tract-maps>, and are hereby incorporated by reference.

III. JUNE LAKE HIGHLANDS SPECIFIC PLAN AND TRACT MAP MODIFICATION PROJECT DESCRIPTION & BACKGROUND

PROJECT DESCRIPTION

The overall goal listed in the June Lake Highlands' Specific Plan is "to provide quality, environmentally sensitive permanent and resort housing in proximity to the community of June Lake", and "is intended to provide a quality residential area complete with on-site amenities for both permanent and transient occupancy" (June Lake Highlands Specific Plan Goals, Objectives, and Policies).

Specific Plan Amendment #2 proposes to allow properties within the existing June Lake Highlands Specific Plans and Tract Maps #34-24 and #34-26 to conduct owner-occupied and/or non-owner-occupied transient rentals subject to a permitting process contained within Land Use Element Chapter 26 of the Mono County General Plan. The project is consistent with existing Specific Plan objectives that support resort housing and transient occupancy. The following modifications are proposed:

- A. Specific Plan Amendment #2 would amend the June Lake Highlands Specific Plan to allow transient rental (rental less than 30 days) on all parcels subject to a Mono County permit (see Exhibit A of Resolution R20-02).

- B. Tract Map #34-24 Modification adds Condition of Approval #36 specifying that transient rental (rental less than 30 days) is permitted in compliance with the June Lake Highlands Specific Plan (see Exhibit A of Resolution R20-02).
- C. Tract Map #34-26 Modification would delete a section of Condition #44 of the Tract Map Conditions of Approval and specify that transient rental (rental less than 30 days) is permitted in compliance with the June Lake Highlands Specific Plan (see Exhibit A of Resolution R20-02).

PROJECT BACKGROUND

In June 2015, Mr. George Larson, representing June Lake Highlands, LLC, initiated a Specific Plan Amendment and Tract Map Modification application to allow transient rentals. At the time, the community of June Lake was expressing a desire for more control over transient rental. Community Development staff informed Mr. Larson that a planning process would soon begin to address transient rental in the entire community and asked to postpone his request to amend the Highland's Specific Plan.

In late 2016, the June Lake Citizens Advisory Committee (CAC) initiated a process to determine where transient rentals would and would not be allowed within the community, and any additional regulations that should apply. Over 50 hours of community meetings were held to discuss transient rentals and seek viable policy solutions. These meetings represent an impressive commitment of time and energy by community members and the CAC, who worked very hard to be objective and provide a recommendation to the Planning Commission. In addition, the process has required well over 300 hours of staff time.

Ultimately, the Board of Supervisors approved General Plan Amendment 18-01 in May 2018 specifying regulations for short-term rentals in June Lake, including acceptable neighborhoods. No specific recommendation was made for June Lake Highlands, and instead the decision was left to the public process associated with a Specific Plan Amendment and Tract Map Modification.

During the processing of this project, staff has continually worked to inform and include Highlands' property owners. After receiving the project application, staff recommended sending notice to all Highlands property owners explaining the project proposal and inviting them to join the project if desired. With the applicant's consent, an invitation to join was mailed on October 15, 2019. In January 2020, an additional email was sent to parties that hadn't responded and a deadline of February 3, 2020 was set. On February 18, 2020, the project application was accepted by the Land Development Technical Advisory Committee (LDTAC) for 19 properties owned by 14 individuals.

On April 15, 2020 a notice of the May 21 Planning Commission public hearing was mailed to all property owners within 500' of the Highlands (including Highlands properties) 30-days prior to the meeting to respect the noticing requirements in General Plan Chapter 25, Transient Rentals, which are more stringent than the standard 10-day noticing requirement. Following the notice, three additional property owners requested to add their properties (totaling six properties) to the project, increasing the total to 25 properties. An additional three parties requested to join after the Land Development Technical Advisory Committee (LDTAC) reviewed the final conditions and were not included in the May 21 staff report due to the lateness of the requests.

At the May 21, 2020 Planning Commission meeting, the Commission requested that the project be altered to include all Highlands properties. Staff mailed notification of the change to all Highlands

property owners on June 4, and a notice was published in the June 6 edition of The Sheet, a local newspaper of record.

At the May meeting, Commissioners requested more information about the short-term rental permits that could be applied and suggested other limitations. A menu of potential options and choices to refine the Specific Plan are provided below:

1. Short-Term Rental Permit Options: All of the permitting options below reference the rental of a residential structure or unit and therefore a vacant lot would not be eligible.

A. Use Permit under General Plan Land Use Element Chapter 25.

- The Specific Plan generally satisfies the Use Permit requirement; however, a separate use permit could be required, followed by either a Short-Term Rental Activity Permit or Vacation Home Rental Permit.
- The cost of is \$495 plus an hourly fee for staff time greater than five hours.
- Provides analysis of and requires compliance with General Plan and Specific Plan land use development standards and policies.

B. Short-Term Rental (STR) Activity Permit per County Code Chapter 5.65, Short-term Rentals in Residential Areas:

https://library.municode.com/ca/mono_county/codes/code_of_ordinances?nodeId=TIT5BULIRE_CH5.65SHRMREAR.

- Typically requires a Use Permit approved by the Planning Commission and an STR Activity Permit approved by the Board of Supervisors, both in public hearings. However, the Highlands Specific Plan could serve as the “use permit” and require only the STR Activity Permit.
- The cost of the STR Activity Permit is \$495 plus an hourly fee for staff time greater than five hours.
- Only the property owner is eligible to apply.
- Permits are limited to one per parcel per person regardless of whether the ownership interest is in whole or in part.
- The Activity Permit is nontransferable.
- The Activity Permit must be renewed annually.

C. Vacation Home Rental Permit per General Plan Land Use Element Chapter 26 – Transient Rentals Standards & Enforcement in Nonresidential and MFR-H Land Use Designations and TRODS, issued under the authority of the Specific Plan Amendment:

https://www.monocounty.ca.gov/sites/default/files/fileattachments/planning_division/page/9617/2018_land_use_element_final.pdf)

- Requires a ministerial Vacation Home Rental permit issued by staff.
- Permits are limited to the owner of title or authorized representative. There is no limitation to the number of permits one owner may obtain.
- The permit is held in perpetuity.
- The cost of the permit is \$100.

D. Both the STR Activity Permit and the Vacation Home Rental Permit:

- Require a 24-hour contact for property management.
- Require a business license and Transient Occupancy Tax certification.
- Include health and safety standards; trash, solid waste, and snow removal requirements; signage, notification and advertising requirements; occupancy limitation of two persons per bedroom plus 2 additional persons, not to exceed ten persons; parking is required on site and limited to the number of spaces.

- May be suspended or revoked
- Are subject to compliance with the Noise Ordinance.

2. Options to limit the total number of properties that may conduct short-term rental:

- Limit of one permit per owner. This limitation could be applied through a Specific Plan Amendment policy or a Short-Term Rental Activity Permit under Chapter 5.65.
- Cap the number of rentals in the Specific Plan based on the percentage of total properties (100% is 69 properties):
 - 10% = 7 properties
 - 36% = 25 properties
 - 50% = 35 properties
 - Permit rentals on a first-come-first-served basis.
- Do not limit the total number of rental properties allowed within the Highlands.

3. Type of rental:

- Allow both not-owner occupied and owner-occupied rentals.
- Limit rentals to only owner occupied.

4. Limit the maximum occupancy: The California Residential Building Code limits short-term rental occupancies to 10 persons or less.

- At the previous Planning Commission meeting, a suggestion from the public was made to limit rentals to four people total and two vehicles. If desired, the Commission can place any occupancy limit of less than 10 persons.

Any conditions desired by the Planning Commission may require edits to the Resolution and must be incorporated into Section One. Staff may request a short recess to craft the necessary language.

IV. ENVIRONMENTAL REVIEW

The Project is consistent with a Class 1 California Environmental Quality Act (CEQA) exemption. Class 1 (15301) consists of the operation, repair, maintenance, permitting, leasing, licensing, or minor alteration of existing public or private structures, facilities, mechanical equipment, or topographical features, involving negligible or no expansion of use beyond that existing at the time of the lead agency's determination.

Examples include but are not limited to:

- conversion of a single-family residence to office use.

Single-family homes that are rented on a transient basis will still be used as single-family homes and in a manner that is not substantially different from how they would be used if they were occupied by full-time residents or long-term renters. In addition, transient rentals are subject to compliance with regulations governing the management of these units stipulated in Mono County Code 5.65, which addresses aesthetics, noise, parking, utilities, and other similar issues. As a result, rental of a single-family residence is not an expansion of use, and is no more intensive or impactful than, for example, conversion of a single-family residence to office use.

V. LDTAC REVIEW, SB18 & PUBLIC COMMENT

The LDTAC met February 18, 2020, to accept the Specific Plan and Tract Map Modification applications with 25 properties included in the project. On May 4, 2020, the LDTAC met to review the final staff report and conditions of approval. No modifications were proposed.

The SB 18 notice inviting tribal consultation on a specific plan amendment was sent on May 1, 2020. Mono County must allow for 90 days for tribes to request consultation, and then complete consultation in good faith prior to the final decision on the specific plan amendment. No consultation requests have been received to date, and consideration of the final decision shall not be heard by the Board of Supervisors until at least August 4, 2020, or later.

Notice of this hearing was published in The Sheet newspaper on June 6, 2020. On Wednesday June 3, 2020 a notice of the project hearing was mailed to all Highlands property owners and property owners within 500' of the Highlands project boundary (Attachment 2). At the time this report was written, staff has received five comment letters (Attachment 3). Two letters were providing support of the project. One letter requests communication be sent to property owners, which has been completed, and another letter provides recommendations for conditioning the approval to be owner-occupied only and limit the total number of permits to a low percentage of the lots. The final letter is in opposition to the project, but asks that if approved, rentals should be limited to a small percentage of the total lots and priority should be given to existing owners who have built homes or broken ground.

VI. FINDINGS

SPECIFIC PLAN AMENDMENT FINDINGS

If the Commission decides to recommend approval of Specific Plan Amendment #2, the Commission must adopt Resolution R20-02 and make the finding contained in Section One.

TRACT MAP MODIFICATION FINDINGS

If the Commission decides to recommend approval of Tract Map #34-24 & #34-26 Modification, the Commission must adopt Resolution R20-02 and make the findings contained in Section Two.

This staff report was reviewed by the Community Development Department Director.

VII. ATTACHMENTS

- 1) Resolution R20-02 and Exhibit A: Highlands Specific Plan Amendment and modifications to Tract Maps #34-24 and #34-26
- 2) Public Hearing Notices
- 3) Public Comment Letters
- 4) Past documents are available online at <https://www.monocounty.ca.gov/planning/page/june-lake-highlands-specific-plan-amendment-2-and-modification-tract-maps>